

Manitoba Lotteries Corporation

Mission

Manitoba Lotteries Corporation's Mission is to provide a fun and entertaining gaming experience in a socially responsible manner to generate benefits for all Manitobans.



THIRD QUARTER REPORT

**FOR THE NINE MONTHS ENDED
DECEMBER 31, 2009
(UNAUDITED)**

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**MANITOBA LOTTERIES CORPORATION
OPERATIONAL HIGHLIGHTS**

Manitoba Lotteries Corporation's consolidated net income and comprehensive income for the 9 months ended December 31, 2009 was \$235.8 million, an increase of \$1.5 million from the same period last year. This change is due to increases of \$1.9 million in the Casinos and in Lottery of \$ 2.2 million; offset by a decrease of \$2.6 million in Video Lotto.

Net revenue increased \$2.1 million over the same period last year. Operating expenses increased \$1.7 million; amortization, interest and GST expenses decreased \$2.1 million; and allocations and payments increased by \$1.0 million compared to December 31, 2008.

CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands, unaudited)

9 Months Ended December 31st

	2009				2008
	Video Lotto	Casinos	Lottery	Total	Total
Revenue					
Revenue and other income	\$258,345	\$166,633	\$154,086	\$579,064	\$581,891
Cost of sales	82,593	7,884	101,787	192,264	197,210
	<u>175,752</u>	<u>158,749</u>	<u>52,299</u>	<u>386,800</u>	<u>384,681</u>
Expenses					
Operating	8,045	88,611	4,245	100,901	99,225
Amortization	11,781	14,751	-	26,532	27,380
Interest expense – long-term	2,222	5,401	181	7,804	8,363
Goods and services tax	3,193	493	60	3,746	4,463
	<u>25,241</u>	<u>109,256</u>	<u>4,486</u>	<u>138,983</u>	<u>139,431</u>
Income before Allocations and Payments	<u>150,511</u>	<u>49,493</u>	<u>47,813</u>	<u>247,817</u>	<u>245,250</u>
Allocations and Payments	<u>2,840</u>	<u>4,549</u>	<u>4,589</u>	<u>11,978</u>	<u>10,925</u>
Net Income and Comprehensive Income	<u>\$147,671</u>	<u>\$44,944</u>	<u>\$43,224</u>	<u>\$235,839</u>	<u>\$234,325</u>

**MANITOBA LOTTERIES CORPORATION
CONSOLIDATED BALANCE SHEET**

(in thousands, unaudited)

December 31st

	2009	2008
ASSETS		
Current Assets		
Cash	\$ 24,113	\$ 29,325
Accounts receivable	12,698	9,418
Prepaid expenses	2,779	2,807
Inventories	3,143	2,855
	<u>42,733</u>	<u>44,405</u>
Property and Equipment, and Other Assets	<u>157,073</u>	<u>171,264</u>
	<u>\$199,806</u>	<u>\$215,669</u>
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accruals	\$26,482	\$25,390
Payable to the Province of Manitoba	4,739	8,426
Current portion of long term debt	13,484	13,998
	<u>44,705</u>	<u>47,814</u>
Long Term Debt	149,381	162,477
Provision for Employee Pension Benefits	720	378
Retained Earnings	<u>5,000</u>	<u>5,000</u>
	<u>\$199,806</u>	<u>\$215,669</u>